

# Law Firm Market Share Declines as Partner Profit Rises and In-Housing Grows

Law firm partners have figured out how to increase profits per partner in the face of a declining demand. Firms, on the other hand, have an unsustainable model that remains largely intact even as clients are seeking options, writes **Mark A. Cohen** for *Forbes*.

He sees the explosive growth of in-house legal departments as possibly the biggest impact of the fiscal crisis.

“It’s easy to dismiss ‘insourcing’ legal work as labor arbitrage. But the more fundamental reason for in-house growth is law firms’ inability to deliver legal expertise *and* value – as well as to integrate technology and process in delivery. The value deficiency is linked to the traditional firm model and culture,” he writes.

He lists some of the reasons corporate legal departments now comprise about 45 percent of total legal spend.

**Read the *Forbes* article.**